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14
15 **UNITED STATES DISTRICT COURT FOR THE**
16 **NORTHERN DISTRICT OF CALIFORNIA**
17 **SAN JOSE DIVISION**

18 ALASDAIR TURNER, individually and on
19 behalf of all others similarly situated,

20 Plaintiff,

21 v.

22 APPLE, INC., a California corporation,

23 Defendant.

24 Case No. 5:20-cv-07495-EJD

25 **PLAINTIFF'S OPPOSITION TO**
26 **DEFENDANT APPLE INC.'S MOTION**
27 **TO DISMISS THE FIRST AMENDED**
28 **CLASS ACTION COMPLAINT**

29 Date: July 15, 2021

30 Time: 9:00 a.m.

31 Dept.: Courtroom 4 – 5th Floor

32 Judge: Honorable Edward J. Davila

33 FAC Filed: January 28, 2021

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STATEMENT OF THE ISSUES TO BE DECIDED

Defendant Apple Inc.'s Motion to Dismiss raises the following issues:

1. Has Plaintiff Alasdair Turner adequately pleaded that he lacks an adequate remedy at law because an injunction and equitable restitution are necessary to redress his alleged harm?
2. Does Turner have standing to pursue claims sounding in fraud, as well as his claims for injunctive relief, where he reasonably relied on Apple's omissions and Apple has provided only an incomplete remedy for its conduct?
3. Has Turner adequately pleaded his omissions claims with particularity?
4. Has Turner adequately pleaded his CLRA claim?
5. Has Turner adequately pleaded his trespass to chattels claims?

MEMORANDUM OF POINTS AND AUTHORITIES

The core allegation in this action is a simple one: Apple secretly designed and built a Trojan horse capability in iPhones that became active when Apple distributed iOS 13 and surreptitiously consumed users' cellular data for Apple's own benefit and without the users' knowledge or consent. Rather than engage with those allegations, Apple mischaracterizes or ignores the facts and claims pled in the First Amended Complaint ("FAC"). Instead of meeting its burden on a motion to dismiss, Apple presents its own, alternate version of the FAC and asks this Court to dismiss three out of four claims (and any claims for equitable relief) from a case that is not the one Turner filed. Turner's actual claims, however, meet applicable pleading requirements. The Court should deny Apple's motion.

BACKGROUND

A. Apple intentionally designed the iPhone and iOS 13 to take consumers' valuable cellular data without their knowledge or consent.

Turner and the Class bought their iPhones with the expectation that their iPhone's cellular data consumption would be commensurate with the cellular data that they—as users—actually consumed. Unsurprisingly, being able to predict and control cellular data usage is central to the meaningful function of an iPhone. *See id.* ¶ 38. Because they, like many individuals, pay for cellular data plans with a limited amount of data (e.g., 5 GB per month), being able to predict and control their cellular data usage informs their decision about what type of cellular phone and data plan to purchase—otherwise, if they use more cellular data than their plan allows, they are charged (often exorbitant) overage fees by their carrier. FAC ¶ 21–22. For that reason, consumers expect that the cellular data their iPhones consume will be commensurate with the cellular data that they actually use. *See id.* ¶ 38.

In reality, Apple designed its iPhones with the undisclosed capability to appropriate and consume users' cellular data for Apple's own benefit. *Id.* ¶¶ 39, 42. Apple activated this capability in 2019 by rolling out iOS 13, which caused iPhones to send significant amounts of data to Apple, routed Apple's data transfers exclusively over cellular networks, and exempted Apple's data transfers from normal settings favoring Wi-Fi connections. To prevent users from

1 noticing this traffic, Apple miscategorized the data as coming from “Uninstalled Apps” on the
 2 iPhones’ internal cellular data meter. *Id.* ¶¶ 42, 47.

3 Instead of squarely addressing Turner’s allegations, Apple’s Motion to Dismiss largely
 4 attacks a fictitious strawman complaint. Apple acknowledges Turner’s central allegation—that
 5 Apple designed the iPhone and iOS 13 to appropriate consumer’s cellular data for Apple’s own
 6 benefit. Mot. to Dismiss at 1. While Apple denies Turner’s factual allegations (Mot. to Dismiss
 7 at 1, 13), it never explains why, taking this central allegation as true, the FAC should be
 8 dismissed. Instead, Apple attempts to obtain dismissal only by re-casting Turner’s core allegation
 9 into something it is not: “Plaintiff solely alleges that consumed cellular data was miscategorized,
 10 and that he paid an additional \$15 to Verizon as a result.” Mot. to Dismiss at 14.

11 But that is not Turner’s sole allegation, nor even an accurate characterization of his
 12 primary allegation. Although Apple characterizes Turner’s allegation as mere “misattribution of
 13 data usage to Uninstalled Apps,” that misattribution was *not* the core problem—it was just
 14 Apple’s way of covering its tracks. FAC ¶¶ 26–27. Apple could have, but did not, account for its
 15 use of iPhone owners’ cellular data in a category easily attributable to Apple itself. Instead,
 16 Apple attempted to hide its actions by categorizing the consumption as coming from
 17 “Uninstalled Apps,” falsely suggesting that the *user* caused the data consumption, either directly
 18 or by uninstalling an application. *Id.* Turner seeks relief not for the misattribution, but for
 19 Apple’s underlying actions that it sought to cover up with that misattribution.

20 **B. Apple failed to disclose the iPhone allows Apple to use consumers’ cellular data**

21 **without the consumers’ knowledge and consent.**

22 Turner’s allegations do not start with Apple’s introduction of iOS 13, which contained
 23 the Consuming Code. Rather, they start with Apple designing the iPhone with the capacity, or
 24 capability, to enable Apple to secretly appropriate users’ cellular data for Apple’s benefit should
 25 Apple choose to do so. *See id.* ¶ 4. Had Apple disclosed this fact prior to his purchase, Turner
 26 would have purchased a different device, paid less for his iPhone, or selected a different cellular
 27 data plan to account for Apple’s use of his data. *See id.* ¶ 40.

28 Nowhere did Apple make that disclosure to consumers such as Turner at the time of

1 sale—not in its marketing materials and not in the materials it provided Turner and the Class
 2 when they purchased their iPhones. Nor did Apple make such a subsequent disclosure in the
 3 summary of the iOS 13 update itself, or the Software Licensing Agreement to which Apple
 4 required users who downloaded the update to agree. That agreement incorrectly represents that
 5 users have the ability to “view and control” the applications permitted to use cellular data and
 6 how much data those applications consume. *See id.* ¶ 18.

7 Turner is not alleging that the features, apps, and Services of the Apple Software
 8 disclosed in Apple’s Software Licensing Agreement, all of which benefit the iPhone owner,
 9 caused him harm. Rather, Turner seeks relief because Apple never told him that it designed the
 10 iPhone in a way that permitted it to surreptitiously consume iPhone users’ valuable cellular data
 11 exclusively for its own purpose, which benefitted only Apple. *See id.* ¶ 19. Apple never disclosed
 12 that it could, would, or did use Turner’s iPhone to take his cellular data without his input. *Id.* ¶ 3.

13 **C. Turner seeks restitution of the value of his cellular data that Apple wrongfully
 14 consumed, not restitution of the money that he paid to his carrier.**

15 Apple’s rewriting of Turner’s theory of the case also extends to its characterization of the
 16 he seeks. Apple incorrectly claims that Turner is seeking restitution of the \$15 he paid to
 17 Verizon. *See Mot. to Dismiss* at 6. But Apple appropriated Turner’s cellular data for its own use,
 18 and Turner (and the Class) are entitled to restitution for the *value of the data Apple consumed*.
 19 *See FAC* ¶ 83. Turner paid for the cellular data that Apple used, and that data had value to him.
 20 *See id.* ¶¶ 35–36. Every time Apple appropriated one megabyte of his cellular data, the amount
 21 available for his use was reduced by one megabyte. *Id.*

22 **D. Apple can resume covert consumption of consumers’ cellular data at any time
 23 because Apple designed the iPhone to permit such conduct.**

24 In accordance with Apple’s advice, Turner will continue to update his iPhone with iOS
 25 updates. *Id.* ¶ 41. This places him at risk of ongoing harm because Apple designed the iPhone to
 26 allow Apple at any time to secretly reintroduce the Consuming Code unless enjoined from doing
 27 so. Indeed, Apple was informed by multiple users in beta testing for iOS 13 that users’ iPhones
 28 were consuming cellular data and attributing it to Uninstalled Apps. Apple nevertheless decided

1 to release iOS 13 to the unsuspecting public, covered up the Consuming Code by attributing its
 2 data transfers to Uninstalled Apps, maintained the Consuming Code through multiple iterations
 3 of iOS 13 (even after dozens of consumer complaints), and then stonewalled the press when
 4 discovered. *Id.* ¶ 46. Although Apple finally removed the Consuming Code in July 2020, its
 5 actions are not consistent with an entity that has forever ceased appropriation of cellular data.

6 **ARGUMENT**

7 **I. Turner is entitled to injunctive relief and restitution for Apple’s appropriation of—
 8 and continuing ability to appropriate—his cellular data for its own use.**

9 Among other remedies, Turner seeks restitution and an injunction for Apple’s unlawful
 10 conduct under California’s Unfair Competition Law (“UCL”) and Consumers Legal Remedies
 11 Act (“CLRA”).¹ Apple argues that Turner has not established that he lacks “an adequate remedy
 12 at law,” and therefore cannot pursue either remedy *See Mot.* at 5–6 (discussing *Sonner v.*
 13 *Premier Nutrition Corp.*, 971 F.3d 834 (9th Cir. 2020)). Apple misconstrues the relief Turner
 14 seeks and is entitled to. *Sonner* in no way bars Turner’s UCL or CLRA claims because Turner
 15 has sufficiently pleaded that he lacks an adequate remedy at law. First, only an injunction can
 16 address Apple’s continued failure to disclose its iPhone defects, which it can exploit for its own
 17 benefit at any time. Second, Turner’s restitution claims are not commensurate with his claims for
 18 damages as Apple characterizes them, leaving Turner with inadequate legal remedies.

19 **A. Turner lacks an adequate remedy at law for the continued harm he
 20 suffers because of Apple’s configuration of his iPhone.**

21 Turner agrees with Apple that in *Sonner*, the Ninth Circuit held that a plaintiff “must
 22 establish that she lacks an adequate remedy at law before securing equitable restitution for past
 23 harm under the UCL and CLRA.” 971 F.3d at 844. Notably, *Sonner* did not limit the *remedies*

24
 25 ¹ Apple notes that “Plaintiff seeks only injunctive relief under [his CLRA] claim and has not pled
 26 compliance with the requirements for bringing a claim for damages thereunder.” *Mot. to Dismiss*
 27 at 6. Apple omits that Turner has satisfied the CLRA notice requirements and the FAC explains
 28 he intends to file an amended complaint, adding a CLRA damages claim. FAC ¶ 73.

1 available to a UCL or CLRA plaintiff. Instead, *Sonner* addressed whether a federal court could
 2 exercise its equitable powers to order the relief available under those laws when state law
 3 provided the law of decision. *Id.* at 841.

4 Turner has established that legal remedies alone are inadequate. Turner and the Class
 5 continue to own iPhones that Apple has configured to allow it to consume their cellular data for
 6 its own benefit (an ability Apple has never disclosed and refuses to comment on, *see* FAC ¶ 46),
 7 and Apple could reintroduce the Consuming Code to those iPhones. As a matter of law, Apple's
 8 voluntarily stopping its Consuming Code data transfers does not equate to an adequate remedy at
 9 law. *See IntegrityMessageBoards.com v. Facebook, Inc.*, No. 18-cv-05286-PJH, 2020 WL
 10 6544411, at *6, *8 (N.D. Cal. Nov. 6, 2020) (finding that "plaintiff lacks an adequate legal
 11 remedy for future harms" because plaintiff had "no factual basis to quantify its actual damages
 12 for future harm," and thus there was no adequate legal remedy for plaintiff's requested injunctive
 13 relief); *Zeiger v. WellPet LLC*, No. 3:17-cv-04056-WHO, 2021 WL 756109, at *21 (N.D. Cal.
 14 Feb. 26, 2021) ("[Plaintiff's] remedy at law, damages, is retrospective. An injunction is
 15 prospective. Damages would compensate [Plaintiff] for his past purchases. An injunction would
 16 ensure that he (and other consumers) can rely on [Defendant's] representations in the future.").
 17 Turner has pleaded Apple's willingness to exploit its configuration of Turner's iPhone for its
 18 own benefit even in the face of consumer complaints, and thus Turner has adequately pleaded
 19 that this same harm is likely to recur.² FAC ¶¶ 44–45. Not only did Apple introduce the
 20 Consuming Code to the broader public after beta-testers complained that early versions of iOS
 21 13 were consuming their data, but Apple also maintained the Consuming Code through *more*
 22 *than a dozen* iterations of iOS 13 after its initial launch. *Id.* ¶¶ 44–45.

23 Further, unlike the plaintiff in *Sonner*, Turner's claim for restitution under the UCL is
 24

25 ² In addition, Turner has identified evidence that this kind of exploitation by Apple was not new
 26 to iOS 13, but has happened before. *See, e.g.*, <https://discussions.apple.com/thread/7361783>. If
 27 the Court finds that Turner has not sufficiently pleaded that he lacks an adequate remedy at law,
 28 he requests leave to replead to include these additional allegations.

1 different from—and more certain and efficient than—damages that he and the Class might seek
 2 from Apple for their lost data. The restitution claim encompasses the full value of the
 3 misappropriated data, not just the overage charges users paid to their carrier. *See Sonner*, 971
 4 F.3d at 844 (“Sonner fails to explain how the same amount of money for the exact same harm is
 5 inadequate or incomplete”); *Anderson v. Apple Inc.*, No. 3:20-cv-02328-WHO, 2020 WL
 6 6710101, at *7 (N.D. Cal. Nov. 16, 2020) (dismissing UCL and CLRA claims without prejudice
 7 in part because plaintiffs did not argue “that restitution under the CLRA or UCL would be more
 8 certain, prompt, or efficient than the legal remedies they request.”). Apple has already construed
 9 Turner’s damages request as one for “overage charges paid by Plaintiff to his carrier, Verizon.”
 10 Mot. to Dismiss at 6. But those “damages” would not fully compensate or make whole those
 11 individuals, including Turner, whose cellular data Apple consumed, but who did not go over
 12 their data limit in a particular month and did not receive an overage charge. *See* FAC ¶¶ 31–34.
 13 Turner and the Class had a right to use (or not use) the data they paid for, as that data had value
 14 to them. *Id.* ¶¶ 35–36. Every time Apple appropriated even a megabyte of that cellular data, that
 15 data was then unavailable to Turner and the Class, *id.* ¶ 35, irrespective of whether they then
 16 went over their cellular data limits and paid overages. Thus, only restitutionary damages (the full
 17 value of the cellular data that Apple took) can make Turner and the Class whole. *See, e.g., Inline,*
 18 *Inc. v. Apace Moving Sys., Inc.*, 125 Cal. App. 4th 895, 903 (2005) (“On the one hand, ‘damages’
 19 describes a payment made to compensate a party for injuries suffered. In contrast, a monetary
 20 payment is more properly characterized as restitutionary than compensatory in nature when the
 21 defendant is asked to return something he wrongly received” (internal quotation and
 22 brackets omitted)).

23 The restitution that Turner seeks is meant to put him back in the position he was in before
 24 Apple appropriated his data. *See* Cal. Bus. & Prof. Code § 17203; *Day v. AT&T Corp.*, 63 Cal.
 25 App. 4th 325, 338–39 (1998) (“Taken in the context of the statutory scheme, the definition
 26 suggests that section 17203 operates only to return to a person those *measurable amounts* which
 27 are wrongfully taken by means of an unfair business practice.”) (emphasis in original). In short,
 28 the restitution Turner seeks—the *entire* value of the cellular data that Apple took from him and

the Class—is more certain and efficient than compensatory damages (his remedy at law).

B. Turner seeks restitutionary disgorgement of the value of his cellular data from Apple, the party that appropriated it.

In measuring restitution under the UCL “[w]here a defendant has wrongfully obtained a plaintiff’s property, ‘the measure of recovery for the benefit received . . . is the value of the property at the time of its improper acquisition . . . or a higher value if this is required to avoid injustice’” *Pulaski & Middleman, LLC v. Google, Inc.*, 802 F.3d 979, 988–89 (9th Cir. 2015) (quoting *Colgan v. Leatherman Tool Grp., Inc.*, 135 Cal. App. 4th 663, 698 (2006)). Consistent with that guidance, Turner seeks restitution from Apple for the value of Turner’s cellular data that Apple appropriated. FAC ¶¶ 40, 70, 72, 82.

Apple argues that Turner cannot seek restitution under the UCL for funds paid to a third party. Mot. to Dismiss at 6. But in moving to dismiss on this basis, Apple again makes the FAC into something it is not. According to Apple, “In the FAC, Plaintiff seeks restitution for overage charges paid by Plaintiff to his carrier, Verizon.” *Id.* at 6. Notably absent from Apple’s assertion here is *any* citation to the FAC—because the FAC says (and seeks) no such thing as a measure of restitution. Turner seeks restitution for the *value* of his cellular data from *Apple*, the party that benefited from that data, not from his wireless carrier.³ For that reason, Apple’s citation to *Phillips v. Apple Inc.*, 725 F. App’x 496, 499 (9th Cir. 2018) is inapposite. In *Phillips*, the plaintiffs alleged that they paid additional amounts to their carriers because Apple’s “Wi-Fi Assist”—which caused an iPhone to use cellular data if Wi-Fi was slow—caused their phones to use additional data without their knowledge. *See id.* at 498. Dismissal was appropriate in that case because the plaintiffs failed to allege “that Apple received money or property, indirectly or otherwise, from their overage payments.” *Id.* at 499. Turner makes just that allegation here: Apple appropriated his property—his cellular data—for its own benefit.

³ Turner reserves the right to seek from Apple damages in the form of overage charges paid to his carrier under his claims, including the CLRA, but that is not the restitution in the FAC.

1 **II. Turner has standing despite Apple’s temporary cessation of exploiting his**
 2 **iPhone.**

3 Again re-writing the FAC in an effort to obtain dismissal, Apple argues that Turner lacks
 4 standing to pursue his claims for injunctive relief because, according to Apple, he has not shown
 5 that Apple is likely to reintroduce the Consuming Code. Turner’s well-pleaded allegations
 6 demonstrate or raise the reasonable inferences that (1) the capacity of the iPhone to permit covert
 7 consumption of consumers’ cellular data is a continuing risk that Apple can exploit to consume
 8 iPhone users’ cellular data for Apple’s own benefit, and (2) Apple is likely to exploit that
 9 capacity in the future, whether by re-introducing the Consumer Code or by employing a similar
 10 mechanism to exploit consumers.

11 “Past wrongs, though insufficient by themselves to grant standing, are ‘evidence bearing
 12 on whether there is a real and immediate threat of repeated injury.’” *Davidson v. Kimberly-Clark*
 13 *Corp.*, 889 F.3d 956, 967 (9th Cir. 2018). In the false advertising context, a plaintiff “may have
 14 standing to seek an injunction against false advertising or labeling, even though the consumer
 15 now knows or suspects that the advertising was false at the time of the original purchase, because
 16 the consumer may suffer an ‘actual and imminent, not conjectural or hypothetical’ threat of
 17 future harm.” *Id.* at 969 (citing *Summers v. Earth Island Inst.*, 555 U.S. 488, 493 (2009)). The
 18 Ninth Circuit has identified two general categories of allegations sufficient to confer standing for
 19 injunctive relief in this context: First, where a plaintiff alleges that “she will be unable to rely on
 20 the product’s advertising or labeling in the future, and so will not purchase the product although
 21 she would like to,” and second, where a consumer plausibly alleges that “she might purchase the
 22 product in the future, despite the fact it was once marred by false advertising or labeling, as she
 23 may reasonably, but incorrectly, assume the product was improved.” *Id.* at 969–70, 971 (finding
 24 plaintiff had standing to bring a claim for injunctive relief under the UCL and CLRA).

25 Turner has alleged that the harm about which he complains—that Apple will take
 26 advantage of the way it configured his iPhone without disclosing that fact to him—is sufficiently
 27 likely to recur. As explained above, Turner asserts that Apple activated the Consuming Code in
 28 iOS 13 even after complaints in beta testing and through over a dozen iterations of iOS 13,

1 raising the inference that Apple is unconcerned with consumer dissatisfaction of its data
 2 consumption, and suggesting that Apple would be willing to resume its covert actions for its own
 3 benefit. *See* FAC ¶¶ 44–45. Turner has further alleged that he and other members of the Class
 4 would continue to use their iPhones and download future versions of iOS released by Apple, but
 5 that they were unable to tell whether Apple will continue to conceal information about its ability
 6 to consume their cellular data for its own benefit. *Id.* ¶¶ 41, 62.

7 Apple nevertheless argues that Turner lacks standing to pursue injunctive relief because
 8 Apple ceased its use of the Consuming Code in June 2020. Apple’s argument again reads the
 9 FAC too narrowly and fails to take into account Turner’s expressed intent to continue
 10 downloading iOS updates in the future. *See* FAC ¶¶ 41, 62.⁴ Apple again puts misplaced reliance
 11 on *Phillips*, which dealt with its Wi-Fi Assist feature. Mot. to Dismiss at 7. But in *Phillips*, the
 12 plaintiffs admitted to switching off the offending feature and failed to allege that Apple could
 13 reintroduce the feature without giving them the ability to turn it off. 725 F. App’x at 498. In this
 14 case, Turner not only alleges that he has not (and cannot) turn off the offending feature—Apple’s
 15 ability to consume his cellular data for his own use—but also that he is unable to prevent Apple’s
 16 data consumption without severely limiting the functioning capacity of his phone. FAC ¶ 33.
 17 Here, unlike *Phillips*, the harm about which Turner complains cannot be abated by Turner alone.

18 **III. Turner adequately alleges each of his omissions claims.**

19 Turner’s consumer protection claims under the CLRA and UCL target Apple’s deceptive
 20 omissions about its intent and capability to covertly consume consumers’ data. Instead of
 21 squarely addressing those claims, Apple engages in sleight of hand, attacking a strawman
 22 complaint that bears little resemblance to Turner’s actual allegations and asking the Court to
 23 apply inapplicable legal tests to Turner’s pure omissions theories.

24 Each of Turner’s misrepresentation claims are based on “pure omissions.” Turner’s
 25 CLRA claim alleges that when he purchased his iPhone, Apple failed to disclose: (1) “its

26
 27 ⁴ Turner also intends to buy iPhones in the future and has already done so. To the extent the
 28 Court finds it necessary, he requests leave to amend his Complaint to include that allegation.

1 capability and intention to surreptitiously consume users' cellular data exclusive for its own
 2 purposes," (2) "the manner in which iPhones consumed data," and (3) "the effects of the
 3 Consuming Code." FAC ¶ 68 (CLRA claim). Turner's fraudulent-prong UCL claim is based on
 4 the same omissions at the time of sale *and* omissions at the time Apple issued the iOS 13 update.
 5 *Id.* ¶ 80 (omissions rendered Turner and class members unable to "make informed choices about
 6 whether to purchase an iPhone, install the iOS on their iPhones, or alter their cellular data plans
 7 to account for the increased cellular data usage caused by the Consuming Code").

8 "[T]o be actionable, the omission must be contrary to a representation actually made by
 9 the defendant, or an omission of a fact the defendant was obliged to disclose." *Hodsdon v. Mars, Inc.*, 891 F.3d 857, 863 (9th Cir. 2018). In a "pure omissions" case, the complaint must plausibly
 10 allege either a safety hazard or a duty to disclose. *Id.*; *Daugherty v. Am. Honda Motor Co., Inc.*,
 11 144 Cal. App. 4th 824 (2006). A duty to disclose exists when:

12 [1] the plaintiff alleges that the omission was material; [2] the plaintiff ... plead[s] that the defect was central to the product's function; and [3] the plaintiff ...
 13 allege[s] one of the four *LiMandri* factors." *Hodsdon*, 891 F.3d at 863. Those
 14 "LiMandri factors" are "(1) when the defendant is in a fiduciary relationship with the plaintiff; (2) when the defendant had exclusive knowledge of material facts not known to the plaintiff; (3) when the defendant actively conceals a material fact from the plaintiff; and (4) when the defendant makes partial representations but also suppresses some material facts." *LiMandri v. Judkins*, 52 Cal. App. 4th 326, 336, 60 Cal. Rptr. 2d 539 (1997).

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 18
 19 *Anderson*, 2020 WL 6710101, at *11. The plaintiff also must plausibly allege actual reliance, a
 20 standard that differs in pure omissions claims from affirmative misrepresentation and even
 21 partial misrepresentation claims. *Id.* at *15.

22 Finally, Turner's omissions claims must comport with Rule 9(b), which requires that "a
 23 party must state with particularity the circumstances constituting fraud." Fed. R. Civ. P. 9(b).
 24 "The circumstances constituting the fraud must be 'specific enough to give defendants notice of
 25 the particular misconduct . . . so that they can defend against the charge and not just deny that
 26 they have done anything wrong.'" *In re Apple Inc. Device Performance Litig.*, 347 F. Supp. 3d
 27 434, 444 (N.D. Cal. 2018) (quoting *Kearns v. Ford Motor Co.*, 567 F.3d 1120, 1124 (9th Cir.
 28

1 2009)) (alteration in original). Except for “the circumstances of fraud . . . other facts may be
 2 pleaded generally, or in accordance with Rule 8.” *U.S. ex rel. Lee v. Corinthian Colls.*, 655 F.3d
 3 984, 992 (9th Cir. 2011).

4 **A. Turner has standing to pursue his omissions claims because he reasonably relied
 5 on Apple’s omission as to the way it configured his iPhone.**

6 In an omission-based case such as this one, “a plaintiff ‘will not be able to specify the
 7 time, place, and specific content of an omission as would a plaintiff in a false representation
 8 claim.’” *Anderson*, 2020 WL 6710101, at *5 (quoting *MacDonald v. Ford Motor Co.*, 37 F.
 9 Supp. 3d 1087, 1096 (N.D. Cal. 2014)). Thus, “[b]ecause such a plaintiff is alleging a failure to
 10 act instead of an affirmative act, the plaintiff [sometimes] cannot point out the specific moment
 11 when the defendant failed to act.” *Id.* (quoting *Baggett v. Hewlett-Packard Co.*, 582 F. Supp. 2d
 12 1261, 1267 (C.D. Cal. 2007)).

13 Therefore, when evaluating standing in an omissions case, courts will look to whether a
 14 plaintiff has sufficiently alleged that she would have been exposed to a disclosure had it been
 15 made. *Id.* In *Anderson*, for example, the plaintiffs alleged that Apple failed to disclose a
 16 difference in the antennas types it used in two of its iPhones. *Id.* at *1. Apple moved to dismiss
 17 in part—as it does here—on the basis that the plaintiffs lacked standing because “the FAC
 18 lack[ed] allegations that the plaintiffs ‘actually relied’ on the statements that were misleading.”
 19 *Id.* at *4. The court disagreed. It determined that the plaintiffs had standing because they alleged
 20 (1) that Apple failed to adequately disclose the information at issue, (2) the plaintiffs reviewed
 21 marketing materials prior to purchasing their iPhones, and (3) that had the plaintiffs known of the
 22 differences in antennas between their phones and others, they would not have purchased their
 23 iPhones at the price they did. *Id.* at *5.

24 The same is true here. Turner alleges that Apple failed to adequately disclose that it had
 25 designed his iPhone so that Apple could co-opt his cellular data for its own use. FAC ¶ 47. He
 26 alleges that he reviewed the materials accompanying his iPhone purchase and that were
 27 necessary to set it up (in addition to the information accompanying iOS 13), FAC ¶ 39, thus
 28 raising a “reasonable inference that [he] would have encountered the disclosure had it been

1 made.” *See Anderson*, 2020 WL 6710101, at *5. And he alleges that had he known Apple had
 2 designed his iPhone in that way, he would have either purchased a different phone or paid less
 3 for the one he bought. FAC ¶ 40.

4 In trying to avoid this conclusion, Apple misconstrues Turner’s pleading. Turner does
 5 not, as Apple suggests, allege that he paid more for his iPhone in 2018 “than he otherwise would
 6 have as a result of Apple’s alleged misrepresentations and omissions regarding iOS 13, released
 7 in September 2019, and its alleged consumption of cellular data.” Mot. to Dismiss at 9. Turner
 8 alleges that he paid more for his iPhone in 2018 than he otherwise would have had Apple
 9 adequately disclosed that it had configured his iPhone in a way that allowed it to activate the
 10 Consuming Code and appropriate his cellular data for its own benefit *at any time it chose to do*
 11 *so*. FAC ¶ 39. Turner has standing to pursue his omissions-based claims.

12 **B. Turner has pled his CLRA and UCL claims with requisite particularity under**
 13 **Federal Rule of Civil Procedure 9(b).**

14 **1. Turner does not need to plead exposure to or reliance on any pre-**
 15 **purchase statement by Apple because this is a pure omissions case.**

16 Turner’s detailed allegations easily meet the heightened pleading standard of Rule 9(b).
 17 The FAC specifically pleads that Apple made material omissions with the iPhone sale upon
 18 which Turner relied. When Turner bought his iPhone, Apple did not disclose to him that it has
 19 the capability to surreptitiously use his cellular data for Apple’s own purposes, that it would in
 20 fact consume his cellular data without his input or control, that such consumption would cost him
 21 money for data he did not use, and, notably, that the consumption would affect the central
 22 functioning of the iPhone. FAC ¶¶ 3–5, 8. These are more than specific enough to allow Apple to
 23 “defend against the charge and not just deny that [it has] done anything wrong.” *Apple Device*
 24 *Performance*, 347 F. Supp. 3d at 443–44. The allegations certainly clear the bar required for pure
 25 omissions claims. *See Anderson*, 2020 WL 6710101, at *5.

26 Despite Turner’s sufficient particularity, Apple argues that he does not identify “any
 27 particular statement he saw, read or relied upon in making the decision to purchase his iPhone.”
 28 Mot. at 18. Apple misstates the applicable standards. In a pure omissions case, “[t]he plaintiffs

1 do not have to point to a hypothetical, counterfactual piece of marketing in which the disclosure
 2 would have occurred. Instead, to satisfy the pleading rules and *Daniel*, the plaintiffs had to
 3 plausibly allege that Apple’s pre-purchase disclosures would have altered their purchases.” 2020
 4 WL 6710101, at *15 (collecting cases and discussing *Daniel v. Ford Motor Co.*, 806 F.3d 1217,
 5 1225 (9th Cir. 2015)).

6 Turner has met this standard. He has plausibly alleged that, if Apple had made its
 7 disclosures as obligated, it would have altered his purchasing decision. *See* FAC ¶ 40. Turner’s
 8 allegations are even stronger than those in *Anderson* because the FAC identifies several types of
 9 documentation Turner reviewed and relied upon in the purchase of his iPhone and installing iOS
 10 13. *See* FAC ¶¶ 18, 39–41. Apple could have—and should have—disclosed its omissions in such
 11 materials. In fact, the reasonable inference exists that Apple fully knew that consumers such as
 12 Turner care about limiting cellular data usage because Apple built the cellular data meter to
 13 satisfy that demand (and then only *secretly* exempted itself from those controls). Accordingly,
 14 Turner has pled the content of the omissions, where the omissions could have been made, and
 15 that the omissions, if made, would have influenced his buying decision. This satisfies Rule 9(b).

16 In trying to undermine that conclusion, Apple relies on easily distinguishable cases like
 17 *Frenzel* and *Cover*, which addressed *affirmative misrepresentations*, subject to stricter pleading
 18 requirements than Turner’s pure omissions claims. *See* Mot. to Dismiss at 18 (citing *Frenzel v.*
 19 *AliphCom*, 76 F. Supp. 3d 999, 1014–15 (N.D. Cal. 2014) (dismissing affirmative
 20 misrepresentation claims under Rule 9(b)); *Cover v. Winsor Surry Co.*, No. 14-cv-05262-WHO,
 21 2015 WL 4396215, at *7 (N.D. Cal. July 17, 2015) (same)). Those cases are inapposite in a case,
 22 like this one, involving pure omissions.

23 **2. Turner has adequately pled omissions.**

24 Apple next argues that dismissal is warranted because it actually *did* make sufficient
 25 disclosures and because Turner has failed to allege that Apple has a duty to disclose anything
 26 beyond what it disclosed. Both contentions are contrary to the law.

a. Insufficiency of Apple's disclosures

Apple points to its Licensing Agreement to the iOS 13 software update as providing sufficient disclosures. This does not make sense *temporally* for the CLRA claim and all but one UCL omissions claim, which are based on omissions surrounding the earlier sale of the iPhone; subsequent written disclosures cannot retroactively supply previously omitted content. Nor does it make sense *substantively* for both the CLRA and the UCL claims. The disclosure reads:

You agree that many features, built-in apps, and Services of the Apple Software transmit data and could impact charges to your data plan, and that you are responsible for any such charges. *You can view and control which applications are permitted to use cellular data and view an estimate of how much data such applications have consumed under Cellular Data Settings.* In addition, Wi-Fi Assist will automatically switch to cellular when you have a poor Wi-Fi connection, which might result in more cellular data use and impact charges to your data plan. . . .

FAC ¶ 18 (emphasis added). Notably, this language—including the italicized language, which Apple omits from its briefing—does not disclose the capacity for Apple to use a consumer’s data for its own purposes, without their knowledge, and without their control.

Apple is thus attempting an end-run around the FAC’s factual allegations. Although it is indeed true that Apple *also* failed to adequately and truthfully inform Turner and the other members of the putative class about iOS 13, Apple’s omissions regarding the iPhone at the time of sale alone are enough to safeguard his CLRA all but one of his UCL omissions claims from faulty dismissal. Apple’s actions in regard to the software update are evidence of additional concealment that exacerbated the prior omissions. It is material that Apple failed to disclose that “under certain circumstances” can include when Apple secretly operates to obtain users’ data and eat through their data plans, and Apple’s role in such covert misconduct makes its “the user is solely responsible” suggestion a falsity.

The nature and context of Apple’s self-proclaimed salvaging disclosures distinguishes them from the disclosures addressed in the very case upon which Apple relies. In *Tomek v. Apple, Inc.*, another federal district judge concluded that, in light of Apple’s express disclosure that “battery life and charge cycles vary by use and settings,” the plaintiff failed to allege that he relied on any battery-related misrepresentation or omission. See No. 2:11-cv-02700-MCE-DAD,

1 2012 WL 2857035, at *4 (E.D. Cal. July 11, 2012). In that case, Apple was not actively and
 2 secretly acting to consume the plaintiff's battery charge.

3 Here, in contrast, Apple knew it could secretly use and consume consumer data,
 4 implemented a plan to do so, and executed that plan. Apple's "data usage varies" disclaimer is
 5 therefore substantively different from its battery-life disclaimer; there is a difference between
 6 "things vary" and "we can and will *make* things vary without telling you." Turner may or may
 7 not have accepted the former type of disclaimer, but he has pled that if he had received the latter
 8 disclaimer, he "would not have acted the way he did." FAC ¶ 40.

9 **b. Apple's duty to disclose**

10 Turner has also pled sufficient facts to establish that Apple had a duty to disclose the
 11 omissions about which he complains. The Ninth Circuit has recognized that "manufacturers may
 12 'have a duty to disclose a defect when it affects the central functionality of a product.'" *Apple*
 13 *Device Performance*, 347 F. Supp. 3d at 459 (quoting *Hodsdon v. Mars, Inc.*, 891 F.3d at 863).
 14 Turner expressly pleads sufficient impact on central functionality to create a duty to disclose.
 15 FAC ¶ 8 ("[Apple's] use of that capability directly affected the central functioning of Plaintiff
 16 and Class members' iPhones.").

17 To present viable fraud claims, Turner need not assert, as Apple contends, that his iPhone
 18 ceased to function as a phone or a smartphone. Instead, all that Turner must plead is that Apple
 19 violated a duty to disclose an omission that goes to *the central functionality* of the product. *See*
 20 *Hodsdon*, 891 F.3d at 863–64. Thus, the FAC pleads that Turner purchased a phone without
 21 being told that the phone would uncontrollably consume his cellular data and secretly subvert
 22 features designed to let users control cellular data costs, all to facilitate Apple's self-interested
 23 data transmissions. FAC ¶¶ 33, 35–36, 38, 48, 70. The fact that Turner had to turn "cellular data
 24 off completely" to avoid Apple's data theft goes to the central functionality of his smartphone.
 25 *Id.* ¶ 33. A cellular phone needs cellular function to perform; a smartphone without cellular
 26 function is no longer a performing smartphone.

27 Precedent supports Turner's central functionality allegations. The Ninth Circuit has
 28 recognized that "[a] computer chip that corrupts the hard drive, or a laptop screen that goes dark,

1 renders those products incapable of use by any consumer.” *Hodsdon*, 891 F.3d at 864
 2 (articulating examples of central functions, but not a legal test). A cellular phone whose cellular
 3 data function must be turned off to avoid falling outside the data plan purchased, to avoid data
 4 consumption that exceeds the consumer’s own use, presents a sufficiently analogous loss of
 5 function attributable to the manufacturer’s omissions. When a company does not tell you that
 6 your chip will corrupt your hard drive, that your screen will go dark, or that your cellular phone
 7 cannot function as a cellular phone without shutdowns, the company is hiding a loss of full
 8 performance. This presents a standard for a claim by “any consumer”—an objective, reasonable
 9 person standard—that is met here.

10 Such fundamental deprivation of performance distinguishes the instant case from those
 11 cases upon which Apple mistakenly relies. *Knowles v. Arris International PLC*, No. 17-CV-
 12 01834-LHK, 2019 WL 3934781, at *16 (N.D. Calif. Aug. 20, 2019), involved a modem that
 13 slowed web browsing and file transfers, in addition to other defects. Apple tells the Court that the
 14 *Knowles* court rejected this defect as sufficiently affecting the core functioning of the device
 15 because the plaintiffs were still able to use the modem. But the *Knowles* court expressly noted
 16 that the plaintiffs did not have to make an additional purchase simply to ensure that the modem
 17 still essentially functioned as a modem. *See id.* In contrast, the omission here means that Turner
 18 lost functioning, lost data that he purchased, and had to pay for even more data for his iPhone to
 19 function as a smartphone. Similarly, in *Ahern v. Apple Inc.*, 411 F. Supp. 3d 541 (N.D. Calif.
 20 2019), the omission—that gray, hazy areas existed around the corners of a computer screen—did
 21 not prevent a loss of significant function or necessitate additional expenditures to obtain
 22 expected functioning under a reasonable person standard. *See id.* at 568. Again, this is in marked
 23 contrast to having to disable a function on the device, which Turner did, losing purchased data,
 24 or having to purchase even more data to obtain the purchased functionality and service. While
 25 Apple characterizes its consumption of Turner’s data as “miscalcategorized” data that did not
 26 render the iPhone incapable of use, Mot. to Dismiss at 21, this is misdirection. Turner cannot use
 27 data that was taken from him, should not have to buy additional data because of his defective
 28 iPhone, and should not have to choose between those options and having a cellular phone

1 without cellular capability.

2 **c. Materiality of omission**

3 Turner also pleads facts sufficient to show that Apple's omissions were material. FAC ¶
 4 8, 40, 70 ("Apple's omissions were material because they were likely to deceive reasonable
 5 consumers into believing that their iPhones' cellular data consumption would be commensurate
 6 with their actual use of their iPhones."). Apple implicitly concedes the materiality of preventing
 7 improper cellular data costs by offering consumers a cellular data meter and even extolling
 8 consumer control of that data. Without question, Apple's omissions regarding lost data, lost
 9 functionality, and increased costs were material to a reasonable consumer.

10 **d. Other factors establishing duty to disclose**

11 In addition to pleading materiality and central functionality, a plaintiff must also plead at
 12 least one of the following conditions:

13 "(1) [that] the defendant is the plaintiff's fiduciary; (2) [that] the defendant has
 14 exclusive knowledge of material facts not known or reasonably accessible to the
 15 plaintiff; (3) [that] the defendant actively conceals a material fact from the plaintiff;
 16 [or] (4) [that] the defendant makes partial representations that are misleading
 17 because some other material fact has not been disclosed." [Hodsdon, 891 F.3d.] at
 18 862 (quoting *Collins v. eMachines, Inc.*, 202 Cal.App.4th 249, 134 Cal.Rptr.3d
 19 588, 593 (2011)).

20 *Apple Device Performance*, 347 F. Supp. 3d at 459. Turner again meets his pleading burden,
 21 averring that Apple possessed exclusive knowledge and intentionally concealed that knowledge
 22 from him and the putative class members. FAC ¶ 71 ("Apple owed Plaintiff and putative Class
 23 members a duty to disclose the truth about its cellular data use capabilities and the Consuming
 24 Code because Apple: (1) possessed exclusive knowledge of those matters and (2) intentionally
 25 concealed the foregoing from Plaintiff and putative Class members."). The reference to
 26 paragraph 71 of the FAC is especially notable in light of Apple's argument that Turner failed to
 27 plead a duty to disclose; the clause "Apple owed Plaintiff . . . a duty to disclose" followed by
 28 what this duty encompassed and why it arose cannot be simply ignored.

(i) Exclusive knowledge

In arguing that Turner has failed to plead that Apple had exclusive knowledge of the iPhone’s capacity to permit covert data theft by the company, Apple ignores that it is the creator, designer, and manufacturer of the iPhone. As such, *of course* Apple had superior knowledge to Turner and other consumers—and superior knowledge, as opposed to strictly exclusive knowledge, is all that is required. *See Anderson*, 2020 WL 6710101, at *12 (“The defendant need not have literally been the sole holder of the knowledge. It is generally sufficient for defendants to have had “superior knowledge” and for the information to have not been reasonably discoverable by the plaintiffs.”).

Judge Koh has explained the rationale for superior knowledge:

[C]ustomers cannot “be expected to seek facts which they h[ave] no way of knowing exist[].” *In re Toyota Motor Corp. Unintended Acceleration Mktg., Sales Practices & Products Liab. Litig.*, 754 F. Supp. 2d 1208, 1227–28 (C.D. Cal. 2010). “A defendant has exclusive knowledge giving rise to a duty to disclose when ‘according to the complaint, [defendant] knew of this defect while plaintiffs did not, and, given the nature of the defect, it was difficult to discover.’” *Herron v. Best Buy Co. Inc.*, 924 F. Supp. 2d 1161, 1175 (E.D. Cal. 2013) (quoting *Collins*, 202 Cal. App. 4th at 256); *see also Marsikian v. Mercedes Benz USA, LLC*, No. 08-04876, 2009 WL 8379784, at *6 (C.D. Cal. May 4, 2009) (finding allegations showing defendant “was in a superior position to know” of an alleged defect “plainly sufficient”); *Johnson v. Harley-Davidson Motor Co. Grp., LLC*, 285 F.R.D. 573, 583 (E.D. Cal. 2012) (noting that courts look to “whether the defendant had ‘superior’ knowledge of the defect” and do not rigidly require literal exclusivity).

Elias v. Hewlett-Packard Co., No. 12-CV-00421-LHK, 2014 WL 493034, at *9 (N.D. Cal. Feb. 5, 2014). Moreover, “even the presence of the information from publicly available sources—for instance, online—does not automatically foreclose an exclusive-knowledge claim. Instead, courts have looked to the nature of the product, the nature of the alleged omission, and the difficulty in reasonably finding the omitted information from sources other than the defendant.” *Anderson*, 2020 WL 6710101, at *12 (citation omitted).

Given the intricate nature of the iPhone (a complex device), the nature of the alleged omission (failure to disclose a covert theft of consumers' data for Apple's own purposes), and the difficulty in finding the iPhone's capacity for such manipulation (and, later, the hidden means

1 of that manipulation) from sources other than Apple, the company's superior knowledge should
2 prove dispositive here. Thus, like the cell phone consumers in *Donahue v. Apple, Inc.*, Turner
3 had no way to ascertain the true functioning of his device; Apple had superior knowledge. 871 F.
4 Supp. 2d 913, 926 (N.D. Cal. 2012).

(ii) Active concealment

6 Apple also protests that Turner has failed to plead active concealment. To plead such
7 concealment, a plaintiff must allege more than nondisclosure alone; rather, an active attempt to
8 hide is required. *See Anderson*, 2020 WL 6710101, at *13. The FAC meets this standard. It avers
9 that Apple placed the Consuming Code in Uninstalled Apps, a peculiar location that would not
10 raise consumer suspicion. FAC ¶¶ 3, 25–26. In other words, Apple took the affirmative step of
11 *hiding* its data use in a place that made it difficult for Turner and other consumers to spot the
12 means by which Apple was taking their data. Apple then remained silent. The FAC’s contentions
13 go above general allegations of concealment and present a reasonable inference of active
14 concealment sufficient to state plausible claims.

C. Because Turner complains of Apple's omissions at the time he bought his iPhone, Turner's CLRA claim defeats dismissal.

17 Apple seeks dismissal of Turner’s CLRA claim on the grounds that he fails to allege that
18 any actionable misrepresentation or omission occurred at the time of sale of his iPhone. Apple’s
19 argument is that Turner must plead that Apple knew of the data issues with the September 2019
20 iOS 13 software update and that it made an actionable misrepresentation or omissions when
21 Turner bought his iPhone in 2018. This argument strategically mischaracterizes Turner’s claim
22 and the claims of the putative class.

23 Turner is *not* basing his CLRA claim on an alleged omission arising from the subsequent
24 download of free software. Rather, Turner’s claim targets Apple’s omissions *surrounding the*
25 *purchase of the iPhone itself*; the iPhone did not perform as expected based on the specific
26 functionality of the device delivered. In other words, Turner bought the iPhone in reliance on an
27 expected level of functionality that Apple cultivated at the time of sale, and the iPhone failed to
28 deliver that level of functionality. The iPhone did not perform as promised.

1 This is a dispositive nuance, because Apple is trying to conflate the focus of the claim (a
 2 false promise of performance set up by a misrepresentation or omission) with a subsequent cause
 3 of the failure to perform as promised (the software download). Turner’s claim is thus similar to
 4 the CLRA claim found in *In re iPhone 4S Consumer Litigation*, No. C 12-1127 CW, 2013 WL
 5 3829653 (N.D. Cal. July 23, 2013). In that case, the plaintiffs brought a CLRA claim based on
 6 Apple’s misrepresentation about the iPhone 4. *Id.* at *13. Apple moved to dismiss, arguing that
 7 the plaintiffs’ claims related to the Siri software, rather than the iPhone 4S that ran that software.
 8 *Id.* The court rejected Apple’s argument, explaining that “Plaintiffs’ CLRA claim is based on the
 9 theory that a specific function of the iPhone 4S did not perform as advertised” and not on a
 10 theory that the free apps downloaded onto that phone were deficient. *Id.* The Court correctly
 11 focused on whether the goods (the iPhone 4S) performed as promised, not on the software on the
 12 phone that affected that performance. *Id.*

13 This same rationale applies here. Turner’s CLRA claim here is based on the omissions as
 14 to functionality that Apple made at the time of sale, not on omissions that took place after the
 15 sale occurred. *See, e.g., Moore v. Apple Inc.*, 73 F. Supp. 3d 1191, 1200–01 (N.D. Cal. 2014)
 16 (concluding reliance cannot be based on representations or omissions that took place after sale
 17 occurred); *cf. Yastrab v. Apple, Inc.*, No. 5:14-cv-01974-EJD, 2015 WL 1307163, at *5 (N.D.
 18 Cal. Mar. 23, 2015) (Davila, J.) (recognizing difference between defects in device and defects in
 19 subsequent software). Turner alleges that Apple made numerous omissions concerning the
 20 iPhone’s characteristics, its particular standard, quality, or grade, and its cellular data use
 21 capabilities that were central to the functioning of the iPhone and the decision to purchase. FAC
 22 ¶¶ 68–72.

23 Stated more simply: the omitted defect is the capacity for data theft, not the mechanism to
 24 capitalize on that capacity. Unlike a claim under the UCL, a claim under the CLRA indeed
 25 requires knowledge of the undisclosed defect at the time of sale. *Beyer v. Symantec Corp.*, 333 F.
 26 Supp. 3d 966, 981 (N.D. Cal. 2018). But it does not matter whether Apple knew, at the time of
 27 the sale of the iPhone, that the iOS 13 would be the tool used to effectuate its theft of Turner’s
 28 data and the significant harm to the core functioning of his smartphone. The iOS 13 download

1 was simply the mechanism through which Apple exploited the prior omissions regarding
 2 functionality. That Apple concealed the *how* (*i.e.*, Consuming Code) behind the failure to meet
 3 the promises made until after the purchase cannot negate the actionable promises made *at the*
 4 *time of the sale*. The CLRA would be toothless in many respects if it permitted a seller to make a
 5 representation or engage in an omission as to quality or function and then covertly act to undo
 6 the promise made to the consumer. Such a result would run counter to the fact that “[t]he CLRA
 7 is to be ‘liberally construed and applied to promote its underlying purposes, which are to protect
 8 consumers against unfair and deceptive business practices and to provide efficient and
 9 economical procedures to secure such protection.’” *Asghari v. Volkswagen Gro. of Am., Inc.*, 42
 10 F. Supp. 3d 1306, 1314 (C.D. Cal. 2013) (quoting *Colgan v. Leatherman Tool Grp., Inc.*, 135
 11 Cal. App. 4th 663, 680, 38 Cal. Rptr. 3d 36 (2006)).

12 **D. Turner has pled sufficient actual damage under his trespass to chattels claim.**

13 Apple’s installation of the Consuming Code and the iOS updates that disguised that
 14 conduct easily support Turner’s trespass to chattels claim. To state a plausible trespass to chattels
 15 claim, Turner must plead that (1) Apple intentionally and without authorization interfered with
 16 his possessory interest in his iPhone, and (2) Apple’s unauthorized interference proximately
 17 caused damage. *See Apple Device Performance*, 349 F. Supp. 3d 434, 455 (N.D. Cal. 2018). An
 18 electronic communication will constitute trespass if it either damages the recipient’s computer
 19 system or impairs its performance. *Intel Corp. v. Hamidi*, 30 Cal. 4th 1342, 1350–51 (2003).
 20 “The ‘damages’ element may be satisfied when the plaintiff pleads that the trespass ‘impaired the
 21 condition, quality, or value of the personal property.’” *Apple Device Performance*, 349 F. Supp.
 22 3d at 455. Whether a defendant “caused actual damage or impairment to [] computer systems [is]
 23 a question of fact more appropriate for summary judgment or trial than for a motion to dismiss.”
 24 *WhatsApp Inc. v. NSO Group Techs. Ltd.*, 472 F. Supp. 3d 649, 686 (N.D. Cal. 2020).

25 Apple argues that its interference with Turner’s iPhone was insufficiently substantial to
 26 be actionable. Mot. to Dismiss at 25. Again, Apple simply ignores the key factual allegations in
 27 the FAC. Turner alleges that Apple’s conduct “caused Plaintiff and Class members to incur
 28 cellular data charges, suffer from reduced iPhone data speeds, and lose the use of cellular data

1 they purchased,” damaging the “iPhones by causing them to perform more poorly than they
 2 would have performed absent the Consuming Code.” FAC ¶¶ 94–95. Turner was able to mitigate
 3 his harm only “by turning cellular data off completely” even though doing so “severely limited
 4 the functionality of his iPhone.” *Id.* ¶ 33. Apple’s entire argument therefore hinges on the Court
 5 deeming inefficient speeds, stolen data, and loss of functionality not significant enough in the
 6 context of a motion to dismiss. This Court rejected similar arguments by Apple in *Apple Device*
 7 *Performance*, holding that the damages element of a trespass to chattels claim was satisfied by
 8 allegations that an iOS update impaired the functioning of iPhones by substantially slowing their
 9 processing speed. *See Apple Device Performance*, 347 F. Supp. 3d at 455. Similarly, allegations
 10 of deprivation or denial of access to phone lines were held to constitute actual harm. *Thrifty-Tel,*
 11 *Inc. v. Bezenek*, 46 Cal. App. 4th 1559, 1566 (1996).

12 Apple argues that this case is akin to *In re iPhone Application Litigation*, in which the
 13 Court held that plaintiffs failed to plead actionable harm for a trespass to chattels claim. 844 F.
 14 Supp. 2d 1040, 1069 (N.D. Cal. 2012). There, plaintiffs alleged that certain iPhone apps they
 15 downloaded used too much “bandwidth and storage space” and shortened their phones’ battery
 16 life. *Id.* In other words, those plaintiffs downloaded apps and complained the apps were slightly
 17 larger than necessary for their intended purpose.

18 Here, Apple’s interference was far greater, costlier, and deceptive—and it substantially
 19 impaired the iPhone’s performance. Apple transmitted data exclusively over expensive cellular
 20 networks (consuming cellular data even when the iPhone was connected to Wi-Fi) and tried to
 21 evade detection by programming the iPhone cellular data meter to hide Apple’s own
 22 transmissions (thereby subverting the intended purpose of the cellular data meter). These
 23 allegations are far more akin to the actionable harms discussed in *Apple Device Performance*,
 24 347 F. Supp. 3d 434, 456 (N.D. Cal. 2018), and *Grace v. Apple*, No. 17-CV-0551-LHK, 2017
 25 WL 3232464, at *12-13 (N.D. Cal. July 28, 2017) (distinguishing *In re iPhone Application*
 26 *Litigation*, and holding Apple’s disabling the FaceTime feature on older iPhones was harm
 27 sufficient to state trespass to chattels claim).

28

CONCLUSION

Because the FAC more than adequately pleads each of Turner’s claims, the Court should deny Apple’s Motion to Dismiss in its entirety.

Dated: March 25, 2021

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SIGNATURE ATTESTATION

Pursuant to Civil L.R. 5-1(i)(3), I hereby attest that I am the ECF user whose user ID and password are being utilized in the electronic filing of this document and concurrence in the filing of this document has been obtained from the signatories shown above.

/s/ David M. Berger